

**TOWN OF FREEDOM
WOODS COUNTY, OKLAHOMA**

**ACCOUNTANT'S REPORT
AGREED UPON PROCEDURES**

**FISCAL YEAR ENDED
JUNE 30, 2014**

***WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA***

**TOWN OF FREEDOM
WOODS COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Shad Bracklin
Randy Reed
Ty Harper

Cindy Reed

Mayor
Council
Council

Town Clerk/Treasurer

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Freedom
Freedom, Oklahoma

Trustees of the Freedom Municipal Authority
Freedom, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Freedom and Public Trusts, Example, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Freedom and Public Trust

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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Freedom is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Freedom** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Freedom Municipal Authority**, as of and for the fiscal year ended June 30, 2014:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Freedom and Municipal Authority Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


May 31, 2015

Exhibit A
Town of Freedom
Summary of Changes in Fund Balances-Cash Basis
For the Fiscal Year Ended June 30, 2014

	Beginning of Year	Current Year Change		End of Year
	Fund Balances	Increases	Decreases	Fund Balances
TOWN:				
General Fund:				
Checking	\$ 35,903	\$ 87,687	\$ 80,080	\$ 43,510
Savings	2,286	6	-	2,292
Certificate of Deposits	10,500	-	-	10,500
Total General Fund	48,689	87,692	80,080	56,302
Fire Fund:				
Checking	26,775	24,268	16,356	34,686
Savings	33,816	2,456	-	36,272
Total General Fund	60,590	26,724	16,356	70,958
4th of July Fund	525	-	-	525
Proprietary Fund (Ambulance)	25,404	11,709	18,674	18,438
RV Park	19,030	16,669	3,251	32,448
Airport Fund	1,536	4	-	1,540
Ambulance Grant	60	-	40	20
Grant Fund	4,725	23,979	22,085	6,620
Town Subtotal	160,560	166,778	140,487	186,852
MUNICIPAL AUTHORITY:				
Utilities Fund	13,841	244,325	224,199	33,967
Utilities Fund - CDs	10,000	-	-	10,000
Property and Equipment Fund	51,475	-	-	51,475
Gas Deposit Fund	7,125	1,315	192	8,249
Water Deposit Fund	5,862	762	100	6,525
MA Subtotal	88,303	246,403	224,491	110,215
Overall Totals	\$ 248,864	\$ 413,181	\$ 364,978	\$ 297,067

Exhibit B
Town of Freedom
Budgetary Comparison Schedule General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 48,689	\$ 48,689	\$ 48,689	\$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	2,980	2,980	3,976	996
Sales Tax	58,540	58,540	70,883	12,343
Tobacco Tax	1,058	1,058	858	(201)
Total Taxes	62,579	62,579	75,717	13,139
Intergovernmental:				
Motor Vehicle Tax	-	-	-	-
Alcoholic Beverage Tax	6,367	6,367	7,798	1,431
Gas Tax	284	284	-	(284)
Grants	-	-	-	-
Investment Income	19	19	27	8
Miscellaneous Income	-	-	961	961
Other Financing Sources:				
Transfer from Other Funds	-	-	3,183	3,183
Amounts available for appropriations	117,938	117,938	136,376	18,438
General Government:				
Personal Services	10,000	10,000	3,575	(6,425)
Maintenance and Operations	80,000	80,000	57,315	(22,685)
Contractual Services	-	-	-	-
Capital Outlay	27,938	27,938	19,184	(8,754)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	117,938	117,938	80,074	(37,864)
Ending Budgetary Fund Balance	-	\$ -	\$ 56,302	\$ 56,302

Exhibit C
Freedom Municipal Authority
Statement of Receipts and Disbursements - Cash Basis
For the Fiscal Year Ended June 30, 2014

	Actual Amounts
Gross Revenues	
Gas Sales	\$ 92,675
Water	75,879
Sewer	11,882
Garbage	50,225
Other	13,443
Total Gross Revenue	244,103
Operating Expenses	
Personnel Services:	
Wages and Salaries, net	44,263
Taxes - Payroll	15,763
Total Personnel Services	60,025
Maintenance and Operations:	
Annual Fees	6,465
Dues and subscriptions	1,035
Insurance	7,631
Operations	121
Penalties	-
Supplies	1,240
Utilities	-
Total Maintenance and Operations	16,492
Contact Services:	
Contract - Gas Purchases	66,116
Contract - Water Purchases	35,515
Contract - Trash Removal	41,348
Contract - Other	4,703
Total Contract Services	147,682
Total Operating Expense/Disbursements	224,199
Net Operating Revenue	19,904
Other Income (Expenses)	
Interest Income	22
Interest Expense	-
Transfer from Other Funds	200
Other Income	222
Net Revenue	\$ 20,126
	20,126

Town of Freedom
 Woods County, Oklahoma
 Schedule of Grant Awards,
 Revenues and Expenditures - Cash Basis
 For Year Ended June 30, 2014

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
OEDA-REAP Grant	OEDA REAP 13-12	50,000	17,979	17,979
Gas Line Replacement			17,979	17,979
Department of Agriculture				
Fire Dept Operations Grant	Fire Department	4,474	4,474	4,474
			4,474	4,474
Total			<u>\$22,453</u>	<u>\$22,453</u>

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